

Press Release

**Office of the Kansas Securities Commissioner
618 S. Kansas Avenue
Topeka, Kansas 66603-3804**

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Johnson County Investment Adviser Arrested

Topeka, Kansas-- Kansas Securities Commissioner Chris Biggs announced today that Lenexa resident James A. Freese was arrested on 20 felony charges related to his investment advisory business, including:

- 10 counts of investment adviser fraud, including 8 counts alleging that victims lost in excess of \$100,000 each.
- 1 count of securities fraud for defrauding Fresh Start Church of God in excess of \$100,000.
- 8 counts of making false writings by sending fictitious account statements to clients.
- 1 count of filing a false statement with the Securities Commissioner.

Charges are only accusations, and Mr. Freese is presumed to be innocent unless and until proven guilty beyond a reasonable doubt. The case is being prosecuted by attorneys for the Office of the Securities Commissioner with the cooperation of Johnson County District Attorney Phill Kline. Freese is the former president of AFG Capital Management, Inc., an investment advisory firm registered with the Office of the Securities Commissioner until September 7, 2006. On that date, Biggs suspended the registration of Freese and the firm after examiners from the Office of the Securities Commissioner conducted an audit of the firm. The suspension was not contested and the firm is no longer in business.

On January 31, 2007, Biggs filed a civil lawsuit against Freese, AFG, and two other individuals. In the civil suit, the Office of the Securities Commissioner has seized AFG assets and will attempt to obtain restitution for former clients of AFG.

The Office of the Kansas Securities Commissioner is charged with administration and enforcement of the Kansas Uniform Securities Act under Chapter 17 of the Kansas Statutes. The Office investigates and prosecutes securities fraud, the offer or sale of unregistered securities and the offer or sale of securities by unlicensed stockbrokers or investment advisers. For more information and investor education resources, visit <http://www.securities.state.ks.us>.